

# Department of Early Childhood: FY27 & FY28 Proposed Spending Plan

February 11, 2026





# Budget Timeline

January 23	Technology Project Proposals Due
January 28	Public Presentation: Budget Priorities
<b>February 11</b>	<b>Public Presentation: Expenditure Plan</b>
February 23	Department Phase Budget Submission
May/June	Department presentations to BOS
June 2	Mayor proposes Citywide budget
July 31	Last day for BOS to adopt budget



# Key Budgetary Considerations

- **Mayor's Priorities** - Mayor is focused on family affordability, and childcare is a core pillar of the program; DEC will draw on Fund Balance to enhance services through this budget cycle (use of balance is not reflected in DEC's new appropriation request "AAO").
- **Fiscal Outlook** - San Francisco is facing a structural deficit of \$400M; Mayor has requested a focus on core services and efficiency. DEC does not have any specific reduction targets.
- **DEC Fund Sources** - Overall, DEC's AAO expenditure authority remains relatively steady through this budget cycle (0.2% net increase FY28 versus FY26); incremental growth in PEEF and restoration of the ECE Baseline offset declines in Prop C and Prop C interest.
- **Baseline** - Use of Prop C Interest for General Fund savings is legislated through FY27; General fund is restored in FY28, so Prop C interest is no longer in DEC's budget (~\$20M reduction).
- **Transparency** - DEC is dedicated to transparency and provides a detailed spending plan. The consequence of releasing this much detail is that some budgetary changes ARE expected prior to final department submission 2/23/24 and through Board approval. DEC anticipates changes to some work orders and potentially general fund contributions.

**Budget Objective:** Continue Improving Kindergarten Readiness



## Mayor's Priorities

# Mayor advances Family Opportunity Agenda

### Safe and Clean Streets

#### Keep Our City Safe

Keep all San Franciscans safe through coordinated and proactive public safety efforts

#### Transform Our Health and Homelessness Systems

Ensure positive long term health outcomes for San Franciscans, including those in crisis on our streets or vulnerable in our communities

#### Maintain Clean, Safe, and Welcoming Public Spaces

Provide clean streets, inviting parks, and reliable mobility options so people feel comfortable being out in the city

### Economic Revitalization

#### Revitalize Downtown San Francisco

Rebuild a vibrant, mixed-use downtown by bringing people, jobs, housing, and cultural activity back to the city's core

#### Make the City More Affordable and Livable for Families

Improve quality of life and access to opportunities so children and families can thrive

#### Strengthen the City's Economy, Arts & Culture

Grow San Francisco's broader economy by supporting key industries, creating good jobs, expanding tourism and cultural activity, and increasing economic opportunity citywide

### Effective Common-Sense Government

Modernize the systems and structures that shape how we work, and build the data, technology, and talent capabilities we need to innovate, improve services, and deliver results within our financial means



## Mayor's Priorities

# Child Care is Central to Affordability

### Affordability Starts at Birth

- **Starting NOW:** families earning 111-150% AMI<sup>1</sup> (\$234k) will qualify for free<sup>2</sup> childcare at 500+ ELFA programs
- **Fall 2026:** Families earning 151-200% AMI (\$312k) will receive a 50% tuition credit<sup>2</sup>
- **Continued Support:** Families earning below 110% AMI (up to \$171,450 for a family of four) will continue to be eligible for free childcare at ELFA programs

### Our San Francisco Approach



**Starts now:** We have moved beyond vision setting – over the past four years, we've built the infrastructure that make this expansion possible and have a plan in place to further strengthen the system



**Quality driven:** San Francisco prioritizes early learning – not just childcare – with quality standards, which resulted in 11% increase in kindergarten readiness since 2021



**Educator-focused:** First-in-the-nation wage augmentation helps recruit and retain essential talent for learner success, ensuring teachers with a BA earn at least \$76,000<sup>3</sup>



**Early eligibility:** All ages are eligible, and we're increasing capacity for our infant and toddlers



**Locally led:** City dollars power this expansion. We will look to partner with the State to maintain and expand our efforts

### Learn More & Apply

1. Capped by DEC's [published tuition rates](#) | 2. [Area median income](#) | 3. For full-time educators

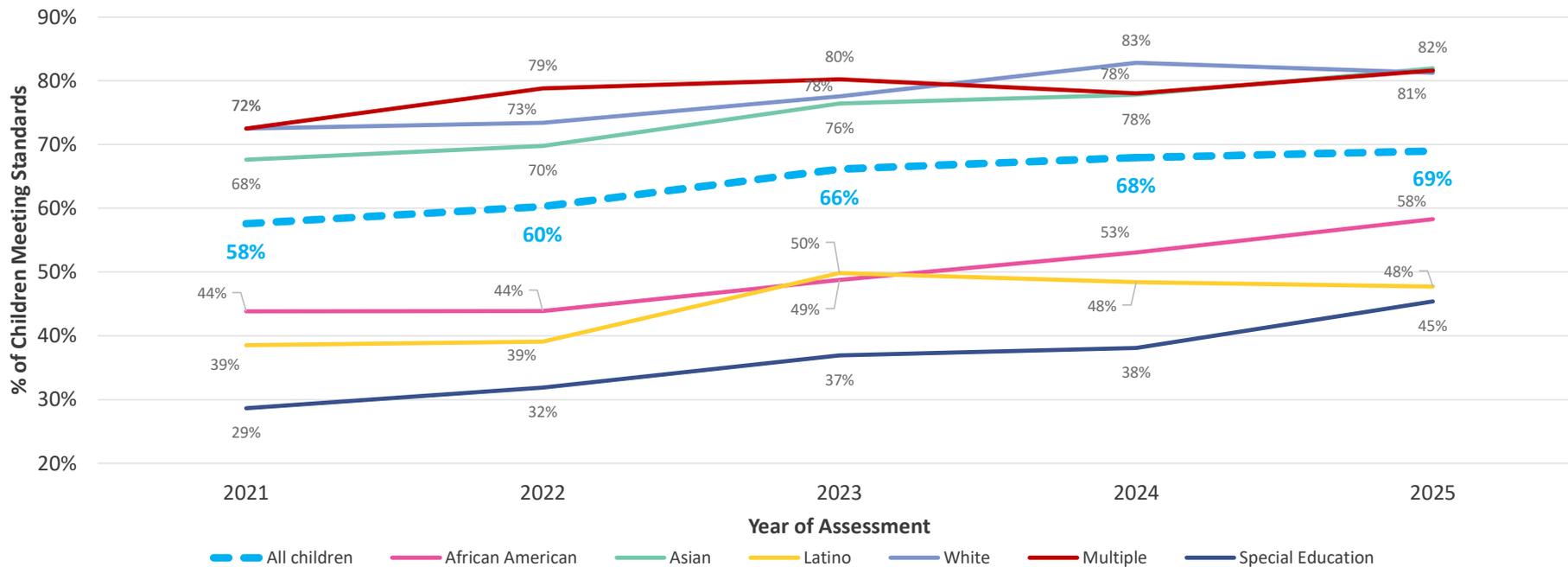
Visit [sfdec.org/early-learning-for-all](https://sfdec.org/early-learning-for-all)



## DEC Budget Objective

# Kindergarten readiness hits record highs

Kindergarten Readiness of Entering SFUSD Students  
by Race/Ethnicity and Special Education, 2021-2025  
(SFUSD Kindergarten Readiness Inventory)



## DEC Budget Priorities

# DEC is Building on Our Strong Start



**Workforce** - Building on DEC's longstanding commitment to strengthening the early care and education workforce, we are deepening our investment by increasing salaries and supporting educators as they work toward advanced degrees, permits, and credentials. In addition, we are launching a pilot program that provides family child care leaders with dedicated time away from their daily responsibilities, enabling them to participate fully in education pathways cohorts and further develop their professional skills.



**Tuition Support** - To ensure that more families can access high-quality early care and education, we are offering free or fully covered tuition for families earning up to 150 percent of the area median income, and a 50 percent tuition credit for those earning up to 200 percent of AMI. By reducing financial barriers, we are working to make early learning opportunities more equitable and inclusive for all children in our community.



**Quality Spaces** - We are investing in the creation and conversion of spaces to serve infants and toddlers, as well as providing funding for improvements and ongoing maintenance across early learning programs. Our efforts are guided by a commitment to ensuring that these environments are not only safe and welcoming, but also environmentally sustainable and inclusive, so that every child has the opportunity to learn and grow in a setting that meets their needs.



**Family Resources** - We will continue to invest in Family Resource Centers and Early Intervention services, strengthening our capacity to respond to the evolving needs of families and communities. By expanding partnerships with the health sector and promoting greater integration across systems of care, we aim to build a more coordinated and responsive support network for children and families.



## DEC Budget Priorities

# Keeping Focus on Closing the Readiness Gap



### Infant & Toddler Well-being

Every family has access to high-quality, culturally responsive infant & toddler early care and education (“ECE”) that is close by and affordable



### Workforce Quality & Capacity

Early educators in San Francisco, serving the most vulnerable children, are highly educated and fairly paid, with a workforce that reflects the families they serve



### Inclusion

Developmental delays and learning differences are identified early, and families feel supported in accessing identified interventions in a timely way



Connecting fragmented resources & systems so that caregivers feel informed, engaged, and empowered to support their young children through the most formative years

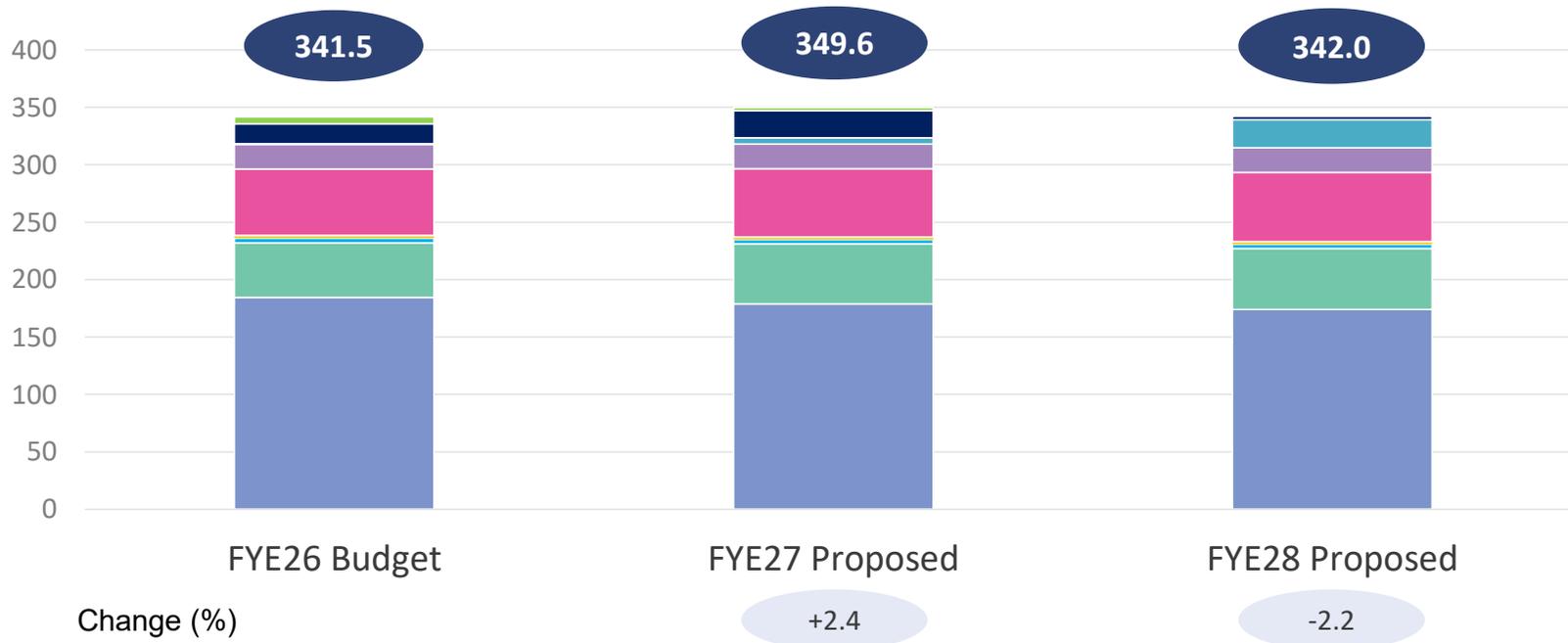


## DEC Proposed Budget

# FY27 & FY28 Proposed AAO Budget - Sources

### DEC Funding Sources<sup>1</sup> (\$M)

■ Prop C ■ PEEF ■ Prop 10 ■ Childcare Capital ■ WO Recoveries ■ State/Fed ■ GF Support ■ Interest ■ Fund Balance

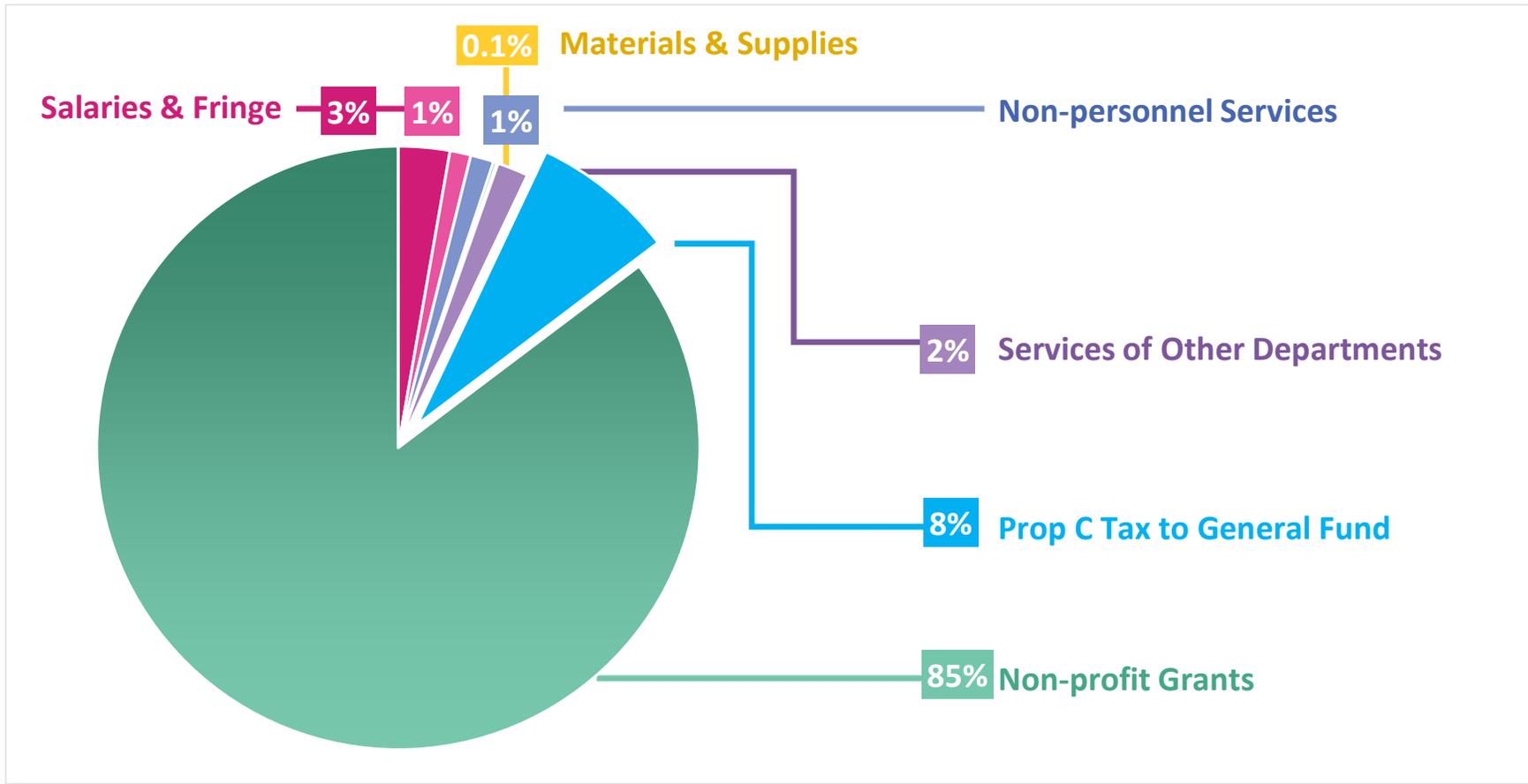


1. Amounts may change through final stages of the budget process.



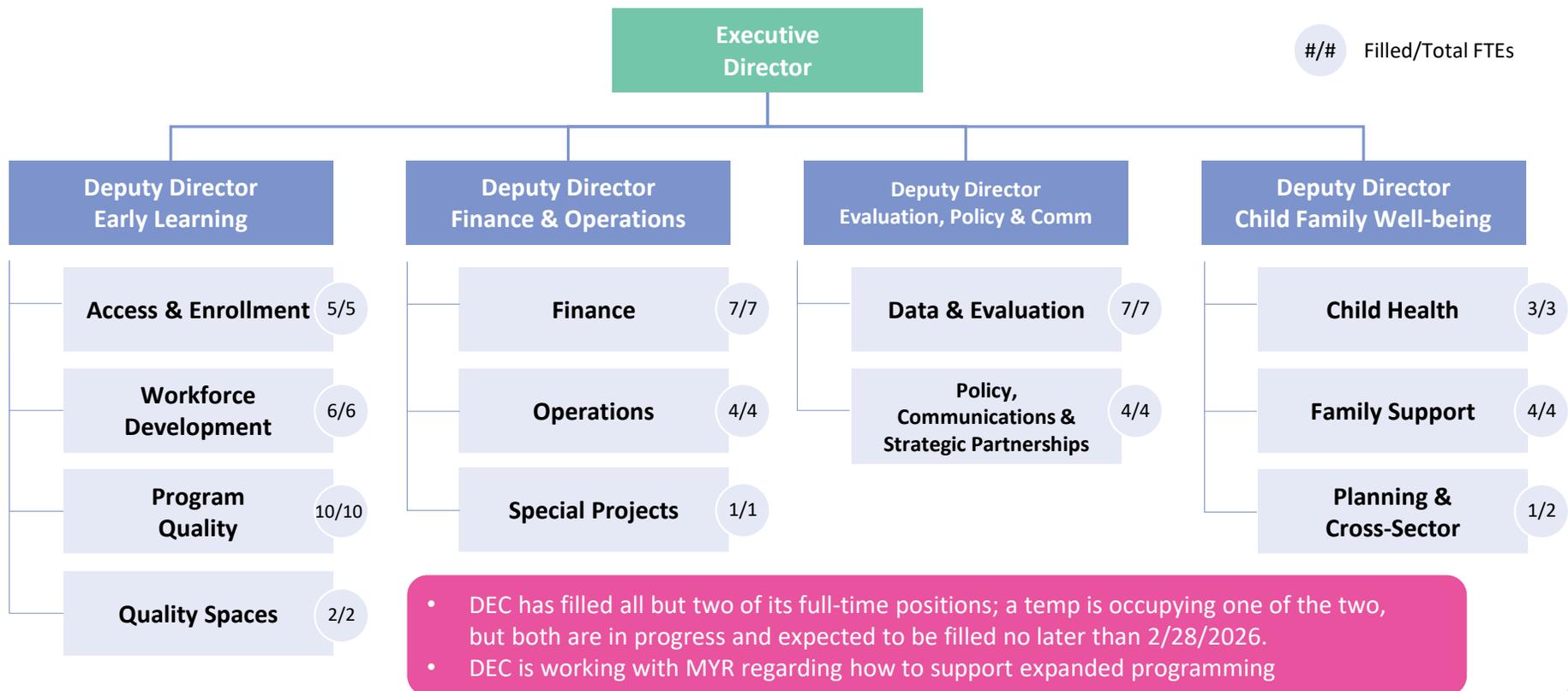
DEC Proposed Budget

# FY27 Proposed AAO Budget – Uses \$349.6M



## DEC Proposed Budget

# DEC Organization and Operating Model



Note: As of 2/2/2026; Position count excludes Interns



## DEC Proposed Budget

# Proposed Spending by Division

	Program	Proposed Budget		AAO Budget (\$M)	
		FY26-27	FY27-28	FY26-27	FY27-28
Early Learning	• Access & Enrollment (includes State/Fed tuition)	178.7	180.4	171.3	160.1
	• Early Care and Education Workforce	86.1	87.2	71.0	71.0
	• Quality Spaces – ECE Facilities	19.0	19.0	9.2	9.0
	• Program/Network Quality	20.2	25.2	18.9	21.4
Child & Family Well-being	• Family Resource Initiative	23.5	23.6	22.5	22.6
	• Child Health	5.3	7.9	5.0	5.0
	• Cross-Sector	1.6	1.6	-	-
Evaluation, Policy & Communications	• Data & Evaluation	4.0	4.3	3.6	4.1
	• Strategy	0.2	0.2	-	-
	• Communications	0.7	0.7	0.7	0.7
	• Field Building	0.7	0.7	0.7	0.7
Finance & Operations	• Salaries & Fringe	13.6	15.2	13.6	15.2
	• Non-personnel Services	0.3	0.4	0.3	0.4
	• Materials & Supplies	0.2	0.2	0.2	0.2
	• City-owned Buildings	0.6	0.8	0.6	0.8
	• Administrative Work Orders	5.1	5.1	5.1	5.1
Prop C Tax	• Prop C 15% transfer to General Fund'	26.8	26.1	26.8	26.1
<b>TOTAL<sup>1</sup></b>		<b>\$ 386.5</b>	<b>\$ 398.5</b>	<b>\$ 349.6</b>	<b>\$ 342.0</b>

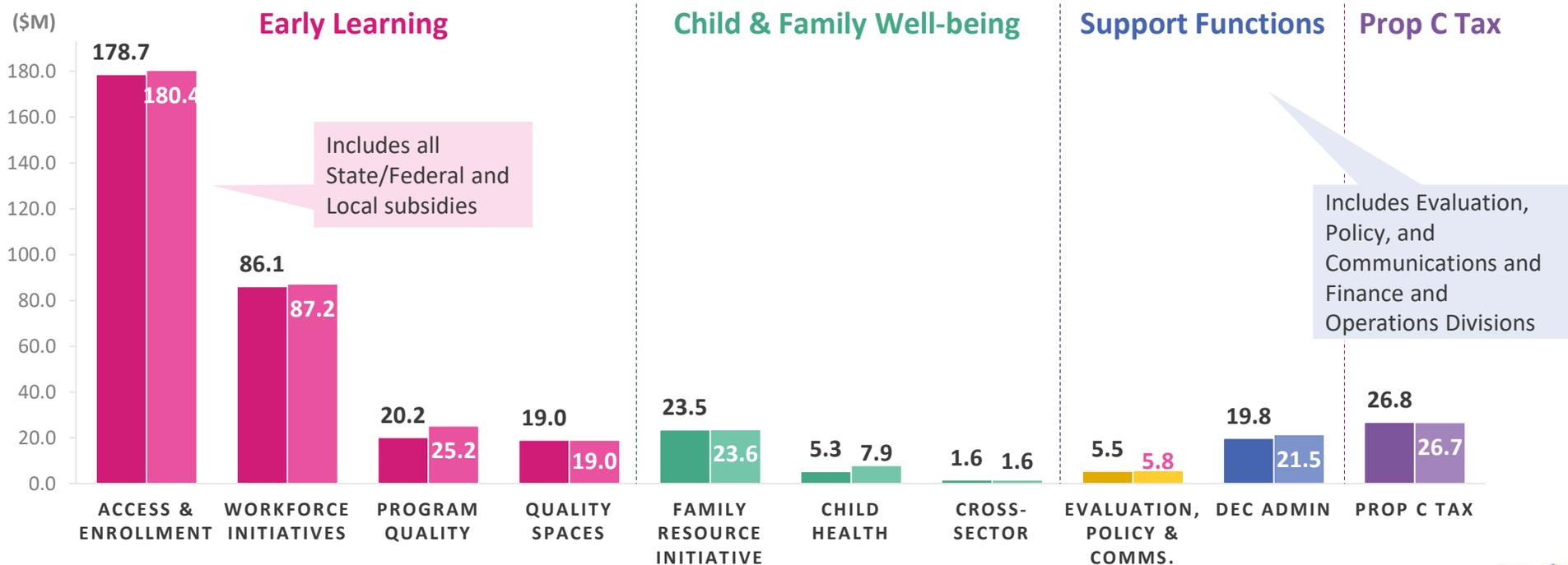
1. Due to rounding, the total may be different than the sum of the rows.



## DEC Proposed Budget

# Proposed Spending by Major Program Area

DEC FY2025-26 AND 2026-27 EXPENDITURE, BY PROGRAM





## Division Details: Early Learning

- Access & Enrollment
- Workforce Development
- Facilities/Quality Spaces
- Program Quality

## Early Learning: Iterating & Improving

- By expanding **early learning subsidies** to families making up to 200% of Area Median Income (up to \$311,700 for a family of four), every family in San Francisco will be able to afford high-quality early care and education.
- Teachers will continue to be **paid fairly**, have access to **higher education** and ECE courses, with an emphasis on infant and toddler and special needs. Child care buildings will emphasize universal design for learning and there will be Early Learning for All sites near where children and families live, including infant and toddler spaces.
- Strengthening the system for **Quality Supports** so that there is cohesion with training modules, aligned coaching methodology and **Early Childhood Mental Health** Consultation.
- We are on our fourth year in a row of **improving in kindergarten readiness, including record highs for African American children and children with special needs**. This is not what the rest of the country looks like since COVID. We have a strong foundation, and what DEC has been building is working. Early learning will continue improving its current programs to further enhance our support for children, families, and educators.



## DEC Proposed Budget

# Early Learning Division

### Access & Enrollment

- Expansion of tuition credit to families 111%-200% AMI
- Alignment with R&R partners to improve service delivery to families
  - Family-Child-Program Connection
  - Facilitating Enrollment Funding
- Public Child Care subsidies Administration and ELFA system Support

### Workforce

- Compensation: Early Educator Salary Support Grant & CARES stipends
- Workforce Development: Continue General Pathways recruitment & degree attainment
  - Build out of Infant/Toddler and Early Intervention (Inclusion) Certification opportunities
- Working Conditions: uplifting FCC needs
  - Pilot Release time: FCC Assistants working to obtain Infant Toddler Certification
- Non-traditional College Advising hours: weekend clinic 3 different languages
- Stipends for ESL Classes

### What Success Looks Like

- Nearly all families in San Francisco will have the opportunity to enroll in high-quality early care and education.
- Greater capacity within the ECE Community towards specialized skills
- Fewer barriers towards degree attainment for ECE teachers.



## DEC Proposed Budget

# Early Learning Division

### Facilities/Quality Spaces

- Expansion/Conversions and Growth: Focus on Infant Toddler
- Renewed Focus: Provider survey to target needs for facilities targeted support.
- Universal Design for Learning: Intentional Inclusive environmental design and equipment, material

### Program Quality

- Training and T/A: Aligning coaching strategies and stance and growing our network
- Quality Assurance: Peer review Pilot opportunity
- FCCHEN K-readiness: Instructional Strategies focus and coaching support study
- Early Childhood Mental Health Consultation-growing the network and building capacity
- Bringing Children To Nature: Opportunities to bring children into nature spaces in our Bay Area through field trips, nature museums, and bring those experiences into the classroom.

### What Success Looks Like

- An increase in ELFA programs serving infants/toddlers, as well as environments that support students with special needs.
- Cohesive Quality Supports to ELFA providers



## DEC Proposed Budget

# Early Learning (1 of 2)

	Program	Proposed Budget		AAO Budget (\$M)	
		FY26-27	FY27-28	FY26-27	FY27-28
<b>Access &amp; Enrollment</b>	• Tuition Support - Early Learning For All	134.6	136.3	126.9	117.4
	• Tuition Support - State/Fed	35.0	35.0	35.0	35.0
	• Tuition Support - Family Fees, ELFA Gap, TIDA CYO	3.6	3.6	3.6	3.6
	• Resource and Referral	2.3	2.3	2.3	2.3
	• Homeless Case Mgmt.	0.9	0.9	0.9	0.9
	• Emergency Backup Childcare	0.7	0.7	0.7	0.7
	• Childcare and Development Planning Council (CPAC)	0.2	0.2	0.2	0.2
<b>Workforce</b>	• Workforce Compensation (EESG, CARES)	64.9	69.8	64.4	67.8
	• Workforce Development (Pathways, SEEPD)	14.7	14.7	0.5	0.5
	• Working Conditions and Infrastructure	6.5	2.7	6.1	2.7
<b>Quality Spaces</b>	• New Centers (Startup and Capital)	8.5	8.5	2.5	2.5
	• New FCCs (Acquisition and Expansion)	1.0	1.0	-	-
	• Space Conversion (Infant & Toddler, Inclusion, etc.)	3.0	3.0	-	-
	• Repair and Renovation	2.7	2.7	2.7	2.7
	• Expert Support and Administration	3.8	3.8	3.4	3.8



## DEC Proposed Budget

# Early Learning (2 of 2)

Program	Proposed Budget		AAO Budget (\$M)	
	FY26-27	FY27-28	FY26-27	FY27-28
<b>Program Quality</b> <ul style="list-style-type: none"> <li>• Training &amp; Technical Assistance</li> <li>• Assessments</li> <li>• Alignment and Peer Support</li> <li>• San Francisco Unified School District</li> <li>• CSPP Quality Block Grant</li> <li>• Bringing Children to Nature</li> <li>• Early Childhood Mental Health Consultation</li> </ul>	9.1	9.1	9.1	9.1
	0.9	0.9	0.9	0.9
	0.3	1.8	-	1.5
	3.0	3.0	3.0	3.0
	0.9	0.9	0.9	0.9
	-	3.5	-	-
	6.0	6.0	5.0	6.0
	<b>TOTAL</b>	<b>\$ 302.5</b>	<b>\$ 310.3</b>	<b>\$ 268.0</b>
<i>Share of DEC Budget</i>	<i>78%</i>	<i>78%</i>	<i>77%</i>	<i>76%</i>





## **Division Details: Child and Family Well-being**

- **Child Health**
- **Family Support**
- **Planning & Cross-Sector**



## DEC Proposed Budget

# Child and Family Well-being

“ I am thankful for your developmental playgroups. It has been a blessing to have my children attend and to be able to have your ongoing care and one-on-one attention. We are thankful for all the strategies, ideas and home educational support including the referrals. We love the playgroups and look forward to them. ”

- All families with children under 5 have access to family resource centers, free monthly books mailed to their home, a digital library of over 2,000 play ideas, and child development tips and check-ups at their fingertips.
- When developmental concerns or delays are identified, there is now a system of multilingual supports and services to meet varying levels of need through **Early Connections**, including friendly intake specialists; developmental playgroups; classes, workshops, and peer support groups; and knowledgeable care coordinators.
- During the next two years we hope to reach at least half the birth to five population with **Imagination Library** and **Sparkler**. To respond to higher early identification rates we will increase developmental playgroup opportunities, refine and accelerate referral experiences across partners, and plan for additional individualized, direct services to be offered within Early Connections. We will also expand perinatal and pediatric supports and create a more integrated, seamless system of care from pre-natal to pre-K.



## DEC Proposed Budget

# Child and Family Well-being

### Child Health

- Build strong citywide foundation for health and wellness through **Sparkler play and developmental screening**, **Imagination Library**, and **HealthySteps Dyadic Care** well-child visits that offer team-based, holistic care
- Refine and expand **Early Connections** system to ensure a central hub of early intervention services for children with identified developmental needs; continue to align and coordinate with **Child Care Health Project** as well as other health, mental health, and early intervention efforts across the wider landscape
- Through **Little Lift** and in partnership with DPH develop a comprehensive package of pre- and post-natal supports for high-risk MediCal pregnant people to reduce toxic stress, promote utilization of early childhood service network, and improve overall maternal/infant health

### Family Support

- Maintain robust, dependable network of **Family Resource Centers** that offer safe spaces where families can access critical resources and learn along with their child and other families; facilitate neighborhood collaborations among centers for thriving, family-centered communities and invest in **Family Support Field Building**

### What Success Looks Like

- Increased rates of developmental screening and enrollment in Imagination Library
- Birth outcomes, breastfeeding rates, and well-child visits improve across demographic groups
- Average age of children entering special education services decreases over time
- Parents and children report nurturing and supportive relationships and are connected to needed services prior to kindergarten
- Providers across service sectors demonstrate collaborative models of care and are mutually invested in children's healthy development



# Child and Family Well-being

## Family Support (continued)

- Expand offerings at **San Francisco Pregnancy Family Village** monthly events, to bring additional health and wellness services built around the community's Bayview community's stated needs; create more intentional connections outside Village events, and deepen anti-racist practices of Village Core Partners

## Cross-Sector

- Foster intentional **Cross-sector Partnerships**, collaboration, and learning between family resource centers, early education settings, and clinics; leverage opportunities available through CalAIM to incentivize and sustain partnerships and strengthen the cross-sector workforce
- Spread family support principals and activities to multiple settings where families access services through new **Family Connecting Points**

## What Success Looks Like

- Increased rates of developmental screening and enrollment in Imagination Library
- Birth outcomes, breastfeeding rates, and well-child visits improve across demographic groups
- Average age of children entering special education services decreases over time
- Parents and children report nurturing and supportive relationships and are connected to needed services prior to kindergarten
- Providers across service sectors demonstrate collaborative models of care and are mutually invested in children's healthy development



## DEC Proposed Budget

# Child and Family Well-being Budget (1 of 2)

	Program	Proposed Budget		AAO Budget (\$M)	
		FY26-27	FY27-28	FY26-27	FY27-28
Family Resource Center Initiative	• Family Resource Center Initiative (FRC)	18.6	18.6	18.0	18.0
	• Evaluation	0.0	0.0	0.0	0.0
	• County-Based Medi-Cal Administrative Activities	1.2	1.2	1.0	1.0
	• Family First Prevention Services Act (FFPSA)	2.3	2.3	2.3	2.3
	• Pass-throughs	0.6	0.6	0.6	0.6
	• San Francisco Family Support Network (SFFSN)	0.5	0.6	0.5	0.6
	• School Readiness Screening (DPH WO)	0.1	0.1	0.1	0.1
	• Triple P Parenting Classes (DPH WO)	0.2	0.2	0.1	0.1
	• Sparkler Data System	0.3	0.3	0.3	0.3
Child Health	• Imagination Library	0.1	0.1	0.1	0.1
	• Early Intervention Support Services - Playgroups	1.1	1.1	1.1	1.1
	• Early Intervention Support Services - Care Coord.	0.8	0.8	0.8	0.8
	• Early Intervention Support Services – FRC	0.9	0.8	1.0	0.8
	• Early Intervention Support Services – Centralized Access Point (Inclusion)	0.5	0.5	0.5	0.5
	• Healthy Steps & Dyadic Care	0.7	0.6	0.7	0.6

1 DPH workorder funding not confirmed

2 Use of Prop 10 fund balance applied over two years

3 Use of rounding may result in a difference in subtotal versus the sum of initiatives listed



DEC Proposed Budget

# Child and Family Well-being Budget (2 of 2)

	Program	Proposed Budget		AAO Budget (\$M)	
		FY26-27	FY27-28	FY26-27	FY27-28
Child Health (continued)	• Preventative Screening and Mental Health Consult	0.5	0.5	0.1	0.5
	• Maternal Infant Health - Pregnancy Family Village	0.2	0.2	0.2	0.2
	• Maternal Infant Health Equity - Birth Equity Cohorts	0.2	-	0.2	-
	• Maternal Infant Health Equity - Little Lift	-	3.0	-	-
Planning & Cross-sector	• Cross-Sector	1.2	1.2	-	-
	• Connecting Points	0.4	0.4	-	-
<b>TOTAL</b>		\$ 30.4	\$ 33.1	\$ 27.4	\$ 27.5
<i>Share of Budget</i>		8%	8%	8%	8%

1 DPH workorder funding not confirmed

2 Use of Prop 10 fund balance applied over two years

3 Use of rounding may result in a difference in subtotal versus the sum of initiatives listed





## **Division Details: Evaluation, Policy, and Communications**

- **Policy, Communications & Strategic Partnerships**
- **Data & Evaluation**



## EPC–Division Highlights

- **External data and evaluation services launched:** 5-year effort to increase program evaluation capacity and improve DEC’s data governance and data system development
- **Snowflake ELFA enrollment data integration:** ELFA data from DEC, Children’s Council, and Wu Yee are warehoused together for more comprehensive and consistent data analysis
- **Website migration to SF.gov:** DEC’s public website will move to SF.gov, prioritizing essential information for parents, with full support for language and accessibility
- **Parent Insights:** Planning well underway for new mechanism for thousands of San Francisco parents to provide input and feedback on DEC’s work, including evaluation



# EPC–Division Highlights

## Policy, Communications, and Strategic Partnerships

- Launch new provider portal website with guidance and resources for all DEC grantees and contractors
- Launch Parent Insights program to gather parent input and feedback at least three times annually
- Develop and implement larger and more frequent public information campaigns to publicize DEC programs to parents

## Data and Evaluation

- Launch new ELFA parent application portal and develop data systems to support Workforce Initiative (CA ECE Workforce Registry replacement)
- Continue to work with external consultants to evaluate DEC programs and improve DEC’s data governance
- Initiate planning for improved data systems to support ELFA enrollment data and EESSG needs

## What Success Looks Like

- Timely, accurate data across all DEC programs, for both internal and external use
- Research-based recommendations for program improvement
- Stronger parent engagement with DEC through two-way communications



## DEC Proposed Budget

# Evaluation, Policy, and Communications

Program	Proposed Budget		AAO Budget (\$M)		
	FY26-27	FY27-28	FY26-27	FY27-28	
Policy, Communications & Strategic Partnerships	• Strategic Planning	0.2	0.2	-	-
	• Communications (translation, parent insights)	0.7	0.7	0.7	0.7
	• Community Building Grants	0.7	0.7	0.7	0.7
Data & Evaluation	• Comprehensive Data & Evaluation Services	2.2	2.2	2.0	2.0
	• Contract Management System	0.5	0.4	0.4	0.4
	• ELFA Enrollment Data Integration	-	0.5	-	0.5
	• ELFA Early Learning Database (workforce, enrollment)	0.9	0.9	0.9	0.8
	• Family Facing Enrollment System	0.1	0.1	0.1	0.1
	• Data Warehouses/Support Systems and Resources	0.2	0.2	0.2	0.2
<b>TOTAL</b>	<b>\$ 5.5</b>	<b>\$ 5.8</b>	<b>\$ 5.0</b>	<b>\$ 5.4</b>	
<i>Share of budget</i>	<i>1%</i>	<i>1%</i>	<i>1%</i>	<i>2%</i>	

1 Use of previously appropriated funds for new contract management system.





## Division Details: Finance & Operations

- Finance
- Operations



## Finance & Operations–Division Highlight

- The finance team has reached full staffing with 3 new hires.
  - Accounting manager
  - Principal accounting clerk
  - Procurement manager
- A top priority for FY27-FY28 is to accelerate the department's policies and guidelines to align with the City Controller's Office, while balancing the fiscal and contracting support needed for all the proposed expansion of key programs.



# Finance & Operations–Division Highlight

## Finance

- Cross-train the new staff to support budgeting, procurement, contracting, and accounting.
- Continue to develop and standardize departmental fiscal, contractual and operational policies and procedures that will streamline workflows for all staff.
- Develop the department’s long-range sustainability plan.

## Operations

- Develop internal policies and procedures that will provide a safe, fair, and equitable environment for all staff to work.

### What Success Looks Like

- Improved processing time
- Standardized policies and guidelines
- Streamlined reporting





Next Steps

# Budget Timeline

January 23	Technology Project Proposals Due
January 28	Public Presentation: Budget Priorities
<b>February 11</b>	<b>Public Presentation: Expenditure Plan</b>
February 23	Department Phase Budget Submission
May/June	Department presentations to BOS
June 2	Mayor proposes Citywide budget
July 31	Last day for BOS to adopt budget

